

Business Update

CORPORATE OFFICERS

Past, present and future

January 2009 is right around the corner, and there are two important dates to remember. January 15 is the last date to request an exemption for corporate officers from unemployment insurance for 2009. January 31 is the due date for reporting taxes and wages for the fourth quarter of 2008 using the corporate officers' exemption status in 2008.

To avoid confusion about the overlapping time periods and rules for exempting corporate officers, please take a minute to review this information.

Under the new law on corporate officers taking effect January 1, 2009, corporate officers earning wages in Washington are required to be covered for unemployment insurance unless the corporation takes specific action to exempt them by January 15, 2009, for calendar year 2009.

Corporations that want their officers to be covered by unemployment insurance do not need to file for coverage, but must include the officers and their in-state wages in the unemployment-insurance quarterly reports beginning for the first quarter 2009. This is due no later than April 30, 2009. State unemployment taxes on corporate officers must be paid each quarter, and the officers may be eligible for unemployment benefits if they lose their jobs.

If corporations decide to exempt any officers from coverage, a separate exemption form must be submitted for each officer. Corporations will not report or pay state unemployment taxes for them, and officers are not eligible for benefits if they lose their jobs. However, corporations will lose their tax credit on Federal Unemployment Tax Act (FUTA) taxes for the exempted officers. Exemption requests must be postmarked by January 15, 2009, for the exemption to take effect in 2009. If the request for exemption is received or postmarked after January 15, the exemption cannot start until January 1, 2010. For more information, see the What's New link at tax.go2ui.com.

For 2008 taxes, corporations must use the old law when they file their tax and wage reports for the fourth quarter of 2008. These reports are not due until January 31, 2009, but cover the period ending December 31, 2008.

TAX RATES

We will be mailing Tax Rate Notices to employers beginning on December 8. For employers in rate class 1 (the lowest rate class and approximately 70 percent of all employers), this might be good news. To others, the news may not be as good. Everyone reaps the benefit of one piece of good news. For the third year in a row, the social cost remains the same, even though the number of claims has increased.

Qualified employers pay taxes based on their experience with unemployment as well as their employees' taxable wages. For 2009, the taxable wage base, which is the maximum amount of wages on which you pay taxes, is \$35,700. Lower tax rates are assigned to

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Please share this with:

- ☐ Owner
- ☐ Accountant/Bookkeeper
- ☐ Business Associate
- ☐ HRM Manager
- ☐ Office Manager
- ☐ Other _____

December 2008

Contact us

District tax offices

Staff at your local office can answer most of your tax questions, including specific questions about your account. For addresses and e-mail information, visit dto.go2ui.com.

Bellevue	425-649-4388
Bellingham	360-676-2070
Lynnwood	425-774-2380
Seattle North	206-706-3801
South Sound*	253-593-7380
Spokane	509-532-3090
Tri-Cities	509-735-0939
Vancouver	360-735-5050
Wenatchee	509-662-0448
Yakima	509-574-0137
Native American tribes	360-902-9780

Out-of-state employers
509-574-0179

* Serves Grays Harbor,
South King, Kitsap, Lewis,
Mason, Pacific, Pierce and
Thurston counties.

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employers whose unemployment experience costs are low and higher rates to those whose unemployment experience costs are high. Simply stated, the fewer employees who collect unemployment benefits against an employer's account, the lower the tax rate. Employers that are delinquent and new employers are not "qualified," so their rates are assigned differently.

If you disagree with the assigned tax rate, send a request for a review and redetermination. The request must be submitted in writing and must be postmarked no later than 30 days from the mailing date of the initial tax-rate notice. If we determine that the rate was calculated correctly, your next step is to file an appeal. The appeal should include the tax-rate year that you are protesting as well as the reason(s) for the appeal. If a request is postmarked later than 30 days after the date of the official mailing of the tax-rate notice, an explanation about why the request is late also should be submitted. Please refer to RCW 50.29.070 or page 10 of the Tax Handbook for additional information.

SHARED WORK

The Shared-Work Program offers employers an alternative to laying off skilled employees during temporary economic downturns. With Shared Work, you reduce the hours your employees work while they receive partial unemployment benefits.

The plan is simple. If, for example, an employee's work week is reduced by eight hours (one day), the employee potentially would be eligible to receive 20 percent of his or her unemployment insurance weekly benefit entitlement, in addition to the 32 hours of regular hourly earnings.

The program is administered by the Employment Security Department's Shared-Work Administrative Unit, located in Olympia, Wash. Employers work directly and exclusively with the unit regarding all matters pertaining to their plan.

For more details, please visit www.sharedwork.go2ui.com or download a brochure at <http://www.esd.wa.gov/uibenefits/formsandpubs/shared-work-brochure.pdf>.

Local workshops

Attend a local workshop to learn more about unemployment taxes and state services, such as tax requirements for various types of businesses, how to report and pay state taxes properly, requirements for reporting new employees and the services that are available through WorkSource.

Date	Topic	City	Contact
Dec. 19	L&I contractor training day	Bellingham	360-902-4733
Jan. 7	e-file your taxes	Yakima	509-574-0137
Jan. 9	general employer information	Spokane	360-532-3130
Jan. 14	e-file your taxes	Yakima	509-574-0137
Jan. 15	general employer information	Yakima	509-574-0137
Jan. 17	general employer information	Renton	425-649-4388
Jan. 22	general employer information	Tri-Cities	509-735-0932
Feb. 6	L&I contractor training day	Tumwater	360-902-4733
Mar. 20	general tax information in Spanish	Yakima	509-574-0136

The Employment Security Department is an equal opportunity employer and provider of programs and services. Auxiliary aids and services are available upon request to people with disabilities. Auxiliary aids may include qualified interpreters and telecommunication devices (TTY) for hearing or speech impaired individuals. Individuals with limited English proficiency may request interpretive services free of charge to the customer in order to conduct business with the department.

Benefits information

For questions related to specific benefit claims, call 877-504-5607.

Report fraud

Let us know if you suspect that a business is not paying its unemployment taxes properly or if a worker is collecting benefits he or she is not entitled to. Employer and claimant fraud hotline: 866-266-1987
E-mail for employer fraud – undergroundeconomy@esd.wa.gov

Technical support for Internet tax filers

Phone – 800-565-4660
E-mail – uifsupport@esd.wa.gov

Order tax forms

Phone – 360-902-0916
E-mail – taxforms@esd.wa.gov

NEW!

Online tax video

A new joint agency tax video, created by the departments of Revenue, Employment Security, and Labor & Industries helps business owners understand how to plan for and pay their taxes. Take a look at: <http://dor.wa.gov/Content/Home/help/video/PlanAndPay/>

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